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Mayor Bob Foster
2010 State of the City Address
January 12, 2010

Good Evening

Welcome to those of you that have joined us here tonight from across the City or are watching from home for the second address that is free and open to the public.

A special welcome to someone who has worked hard to help those suffering from mental illness, my wife, and your first Lady, Nancy Foster.

I also want to welcome our son Kenny and his wife Cheryl, our son James, and our grandchildren Taylor, Bobby, and Ryan.

Welcome to Downtown Long Beach and the renovated Terrace Theater where just a few weeks from now, this very stage will play host to the likes of Bill Gates, Nobel Prize winner Dr. Elie Wiesel and England's Jamie Oliver, the Naked Chef.

But tonight, you get just another pretty face!

This year marks my fourth State of the City and, like the years before, tonight is a chance to reflect on the past and look ahead to the future.

I don't know for sure, but I'm guessing most of you here tonight were simply delighted to see 2009 disappear in the rearview mirror.

It was a year of economic turmoil unknown in most of our lifetimes. We witnessed the collapse of our credit markets, driven by greed and unbridled self-interest on a global scale. In all, the Great Recession tested our resolve, our habits and our character. It also showed us what is important and brought us closer together.

When you came into the theater this evening, I hope you were able to spend a few minutes getting to know a small selection of the charitable and non-profit groups that do tremendous work within the City.

On your way out tonight, stop by to see how you can help. And say thank you, because the work

of those organizations, and others like them, weave the fabric of our community; whether delivering food, helping fund after school programs or offering compassion and kindness in an hour of need.

You may remember when I spoke of the Greatest Generation last year, recalling the need to draw upon the historic character of that time to weather the storm. If we could summon the resolve of our parents and grandparents during the years of the Great Depression and World War Two, we could answer the call of our challenge - and just maybe, learn from our mistakes.

The signs are everywhere that we have met that challenge with character and courage.

There will be moments over the next 12 months that will be very difficult. The pre-recession prosperity will not return quickly - I believe, in fact, that it is going to take years.

But unlike this time last year, the prospect for the months ahead is brighter.

Personal savings rates in America continue to climb; the markets are up, credit is beginning to flow again. Retail sales, a key ingredient to economic recovery, were up in December; and imports saw their first gain in 28 months. In the fall, for the first time in months, the jobs report saw a glimmer of hope -- but the important fact is this: While much more needs to be done to return to economic health, we are at least off life support.

From the City's perspective, we trimmed government, while maintaining vital services. Every part of Long Beach City government learned to do more with less. Through reduced positions, employee furloughs and re-structuring of contracts, we were able to manage our way through an acute fiscal crisis.

We again produced a balanced City Budget. On one of our most difficult issues, we demonstrated that we could work together toward the common purpose of making our City better, even with fewer resources.

I want to thank our firefighters, police officers and all our City employees for their understanding and cooperation during these very difficult times.

Last year, while many other cities were decimating their reserves, we took the important step of saving for a rainy day with the creation of a \$9 million budget stabilization fund. The same story, unfortunately, cannot be told for our state government. The mercurial revenue swings and spending are part of what wreaks havoc on our State Budget.

On this point let me be very clear: the most immediate threat to the financial stability of this City is raids on our general fund by Sacramento.

Long Beach's credit rating is 5 grades higher than the State of California's - and while that indicates strong fiscal health for the City, it does not present a pleasant picture of things in Sacramento.

Frankly, the system of funding local governments in California is broken. The gimmicks, smoke and mirror budgeting, and kicking the can down the road that got the State into this mess needs to end.

Indeed, there will likely be a ballot measure sponsored by the California League of Cities in November that will prevent the State from stealing funds from local government. While I usually oppose such draconian ballot measures, candidly, there is now little choice. Our police and fire departments, streets and roads, park programs, and libraries need to be protected.

Sacramento must change the way it does business. Money does not fall from the sky; it's earned and expanded by private sector productivity. Commercial activity is the engine to get us to a healthier economy. It builds wealth, employs people and grows tax revenues to provide services.

It's time to put the State's fiscal house in order rather than make it a contest for survival.

Long Beach was named the Most Business friendly city in LA County last year due in large measure to changes in the way we approach our business.

Not only did we focus on attracting new employers to the City, but we also invested in retaining the employers already here. Long Beach now has a small and local business preference program to help keep tax revenues here at home. It opens the door to city contracts by leveling the playing field for small business owners.

We adopted programs and partnerships to maximize our sales tax revenue and attract new opportunities to grow our tax base; a creative effort that looks to revenue sources beyond tax increases and big box stores.

And we took the first steps to a substantial long-term growth in general fund revenues through modern, environmentally friendly oil extraction in the Wilmington Oil Field. This one initiative has the potential to add millions to the general fund annually in the next several years without expanding the current environmental footprint.

As you all know, we are home to the C-17 and nearly 5,000 jobs through Boeing. Working together, we were able to get an additional 18 C-17's funded. In recent days more global sales have been announced, promising to keep the line in production for the next several years.

Boeing also holds two other very valuable assets that will be important to Long Beach; the former 717 site and the new industrial development at Douglas Park. The 717 site alone has over 1 million square feet of space under one roof - and one day soon, it will be home to a movie studio, maybe an electric car plant, maybe a movie studio, maybe an electric car plant.

One corporate CEO I had met with several months ago stopped by my office recently to tell me that Long Beach is a finalist for his firm's corporate headquarters. And our competition? Another state - not another city, but an entire state. That is the playing field that our City competes on.

Our Port, our institutions of higher learning, the access to a skilled workforce, and the incentives we can offer through the Enterprise Zone all come together to make Long Beach a very special opportunity for growing companies.

Another of our city's key employment centers is the medical community. And as 2009 came to a close, we celebrated a substantial expansion of Miller's Children's Hospital. Already one of the premier institutions in the country, Miller's addition of a new state-of-the-art pediatric surgical center and 124,000 square foot in-patient pavilion means even more children from throughout the region will be able to access the very best care right here in Long Beach.

But Southern California's largest jobs generator is neither the medical community nor Hollywood, but the industries and companies that attend to the nation's largest port complex.

The Port of Long Beach has had a year marked by challenge and tremendous achievement.

Our Port has made significant strides in cleaning the air we all breathe. This was our first full year under the Clean Trucks Program, and I'm proud to say that the program is ahead of schedule.

We are well on our way to replacing more than 6,000 dirty trucks with new, cleaner diesel and liquefied natural gas vehicles. January 1st launched the second phase of the program and ushered in even stricter clean air guidelines.

When we embarked on the Clean Trucks Program in 2007, the goal was an 80% reduction in pollution from trucks by 2012. We are on track to reach that goal this year, two years early.

It was not easy and it was not without trial, but you should all be proud that Long Beach remained focused on the goal of cleaner air, not a political agenda.

I want to take a moment to thank the Port staff and the Harbor Commissioners for all their hard work.

The Port also embarked on a massive decade-long construction project known as Middle Harbor. Once completed, the Middle Harbor project will make the Port greener and more competitive with growing ports on the East Coast and in Canada.

The project will cost over \$800 million and employ nearly 14,000 people over the next 10 years.

The project will also be covered by a project labor agreement, ensuring an uninterrupted flow of work and a significant number of local hires. Now we can train our young people for not just jobs, but real careers, right here in Long Beach.

Linking our investment in job training programs with actual jobs is a point I cannot emphasize enough.

Using the one-time federal stimulus funds, our Workforce Investment team put 1,200 young

adults ages 14-24 to work at 250 local businesses.

In total, 20,000 local workers took advantage of the opportunity to strengthen their job skills in anticipation of a new career path.

When I travel to Washington next week to meet with the White House and Congressional leaders, my message will be this: let's invest in our cities by building bridges, fixing our streets and roads, laying the infrastructure for a green economy. This is where stimulus funds need to be put to work; because a job-training program cannot be an end unto itself.

Many of you know about the partnership between my office and the Long Beach Unified School District that formed the ACE Academy program up at Jordan High School in North Long Beach. With us here tonight are 20 students, several of which will be part of ACE Academy's first graduating class this spring. These young people are emblematic of the importance of skill development and career training - please join me in welcoming them here tonight.

Last year, our City had some remarkable achievements by people who work hard everyday at providing quality service to all of us that work, live and play in the City of Long Beach. Your City staff and partners are second to none when it comes to trying to make life better and our city brighter.

We are a safer City and a well-protected City. In 2009, crime rates dropped again, by nearly 3%. In particular, gang-related shootings dropped more than 8%.

We deployed wireless 911 citywide and response times for priority one calls are faster than ever before.

Traffic accidents are down 6% - but now for the bad news: traffic citations are up 3%. Even though the City needs the money, I'd rather you all paid more attention out there!

Our fire department responded to more than 57,000 calls for service; an ever-increasing workload for a department that continually demonstrates it is among the best in the nation.

Our business improvement districts, in every area of the City, worked hard to connect local businesses with residents, reminding everyone to spend locally.

The Convention and Visitors Bureau continues to showcase the City despite the challenging national economy.

As I frequently tell visiting groups: Welcome to Long Beach and thank you for choosing our City for your conference. Now remember, there is only one rule: you must go out and spend money!

We transformed the roof of the Long Beach Arena into a canvas, as Wyland completed an ambitious mural in a day's time in honor of Earth Day.

On New Year's Eve, Travis Pastrana launched his car 269-feet across a sparkling Rainbow Harbor and into the Guinness Book of World Records as nearly 26 million television viewers across the country watched.

In every corner of our neighborhoods, the bread and butter programs of street and sidewalk repair continue.

We filled 32,400 potholes, with an average 48-hour response time; we repaired 15.6 miles of streets and 13.5 miles of sidewalks; and 2 million square feet of graffiti was removed within 48-hours of being reported.

We opened 3 dog parks, broke ground on 4 new park facilities and cleared the way for more than 9 acres of additional park space for the future.

No area of our city should live with anxiety simply from the threat of a rainstorm. But that is what the residents near the Arlington Storm Drain did every year. No less than seven times during the past 20 years this Westside area fell victim to flooding, damaging homes and cars and destroying the dreams of many residents. Candidly, this problem was an embarrassment that went unattended for far too long - and to me, a stark example of the "Tale of Two Cities" of which I so often have warned. Our residents deserved much better.

This year, with cooperation from the County and the creative help of our Public Works Department and Southern California Edison, we will finally fix the Arlington Storm Drain to provide flood protection for the first time in two decades.

The Colorado Lagoon is on track to be cleaned up. A combination of persistence on the part of the Friends of the Colorado Lagoon and an infusion of federal and local funds have come together to create a project that will be used to increase tidal flow in the lagoon as well as improve the Termino storm drain. This will return the lagoon to a healthy recreational asset for the first time in 50 years, and protect the adjacent homes from the threat of flooding.

For the second year running, we are among the top ten green fleets in America, in recognition of our efforts to use alternative transportation fuels, which now account for nearly 30 percent of our city's vehicle fleet. And that isn't even counting City Manager Pat West's bicycle or my electric car!

After years of debate and controversy, we are moving ahead with modernizing our airport. Last month we put shovels in the ground on the airport-parking garage, which will be built in two phases and appropriately sized, to meet our current needs. The terminal improvements should begin by year's end and it too will proceed in phases to allow for continued operation during construction. By 2012, we should have a modern airport with expected services and concessions for today's traveler.

We will also keep the art deco style and historic feel of our airport. More importantly, we will keep the airport size within the parameters of our noise ordinance and protect our neighborhoods.

So what will the next year be like? Well, we have much to do.

I can tell you that we will continue to have economic and budget challenges, but we will manage our way through them. We will work harder at being more efficient and continue to do more with less.

We will continue to provide a safe city for all our residents. As the budget debate in Sacramento turns to prison spending, let's make sure it is smart budgeting that doesn't just shift the cost of crime back on cities and counties across the State. Hardened criminals returning to our neighborhoods starting the crime cycle all over again isn't saving any of us a dime.

We must continue to examine our programs and constantly seek ways to deliver services at lower cost and in a timely manner.

We will simply not have the resources to spend on non-essential programs or those that can be performed better by the private sector. We no longer have the luxury of not examining how we do things and assuming we need to perform everything "in house."

From technology to towing, we must get the most for the taxpayer. And a gentle reminder to everyone who serves the public, it's not our money; we have a higher standard of care when dealing with the public's money. At a time when every social service is being reduced we owe the taxpayer no less.

We need to continue to examine our pensions and seek ways to reduce costs even if the State does not pass pension reform. Quite simply, we owe it to those in retirement now, to those that plan to draw from it in the future and to the taxpayers who pay the bill.

And to all those involved in this debate, let's stop wasting time in the same old arguments and finger pointing, and get real reform in place; because beyond the rhetoric, the fact is, sustainable pensions are in everyone's best interest.

We won an award as the Business Friendly city. Now let's take the title to heart, and improve our relationship with business through more efforts to incent job creation, and fast-track the permit process for those companies coming in to Long Beach with green jobs and a bright future.

Within the next two years we will see several thriving businesses call Douglas Park home, and the former 717 facility will be the source of good jobs once again. The city will strive to improve its customer service and enhance its reputation to attract even more business. Our young people will be trained for real jobs that have a future.

Earlier this week, the US Department of Energy announced Long Beach will soon be able to leverage \$4.3 million in stimulus funding for energy-efficiency retrofits for residential, commercial and municipal buildings. Not only does that help reduce our City's carbon footprint and provide a tremendous opportunity to cut energy costs, it again makes the connection for those trained in the green economy with a real job.

We still need a well-funded program to fix our infrastructure, the very thing robust commerce depends upon. I will say again that we will not be a great city without improvement to our bones: our streets and roads, our sidewalks, our storm drains, our public structures.

April of 2010 will also bring the decennial census. Millions of dollars in federal funding is at stake - and as it is, California gets back only 78 cents of every dollar we send to Washington. In addition, Long Beach left an estimated \$21.5 million dollars in federal funding on the table because over 9,000 of our residents didn't fill out their Census forms. So let me take this opportunity to remind everyone: Get Counted.

I presented this speech last year amid turmoil, fear, and an anxious doubt that our best days were behind us. Things look much brighter today. We have much to do but we have a better spirit and optimism about the future. The spirit of the Greatest Generation, the "can-do-attitude", the ambition free of entitlement, the quiet, unassuming "just doing my job" demeanor of that generation is what helped us this year and will propel us in the future.

We have come through a very tough year. We have managed our way through great economic uncertainty and budget shortfalls. And we have stayed true to who and what we are. We are a city that appreciates difference. A city that is increasingly home to a creative class. A city that cares for its less fortunate members and seeks opportunity for its young people. Our budget process proceeded with common purpose and little rancor.

On the big issues we demonstrated that we could disagree and still be civil, and recognize that we are all neighbors in Long Beach.

This is the city you and I chose to live in. The city in which we raise families and educate our children. The city that practices inclusion and embraces diversity as an asset.

All of us should be optimistic about the coming year because we are a city of character; character that has now been honed in our Great Recession.

We will work hard together to make 2010 and beyond better for all of us. I believe we have a bright and prosperous future and the state of our City is healthy and sustainable. I am proud of the kind of people we are and how we live together. I would choose to live in no other place.

It has been my privilege to lead this City for the past four years. I thank you all for that opportunity and I thank you all for being here tonight.

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